

**MEETING NUMBER 3086**

JOURNAL OF PROCEEDINGS  
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM  
OF THE CITY OF DETROIT  
**HELD THURSDAY, APRIL 7, 2016**  
9:00 A.M.

IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS  
ONE DETROIT CENTER, 500 WOODWARD AVENUE, SUITE 3000, DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

JUNE ADAMS	EX/OFFICIO TRUSTEE/ALTERNATE-CORPORATION COUNSEL
MARK DIAZ	ELECTED TRUSTEE/POLICE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYORAL DESIGNEE
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
SEAN P. NEARY	ELECTED TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/CHAIRPERSON
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/ALTERNATE-HONORABLE MAYOR/VICE CHAIRPERSON
PAMELA SCALES	EX/OFFICIO TRUSTEE/BUDGET DIRECTOR
JOHN SERDA	ELECTED TRUSTEE/POLICE
DAVID SZYMANSKI	EX/OFFICIO TRUSTEE/TREASURER
TRACY THOMAS	ELECTED TRUSTEE/FIRE
JOHN G. TUCKER	ELECTED RETIRANT TRUSTEE/FIRE

TRUSTEES EXCUSED

GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
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TRUSTEES ABSENT

NONE

STAFF PRESENT

CYNTHIA A. THOMAS	EXECUTIVE DIRECTOR
DAVID CETLINSKI	ASSISTANT EXECUTIVE DIRECTOR
RYAN C. BIGELOW	CHIEF INVESTMENT OFFICER
MICHAEL KRUSHENA	INVESTMENT OFFICER
ED HAMMOND	SPECIAL COUNSEL (CLARK HILL)
JANET S. LENEAR	RECORDING SECRETARY
REGINALD O'NEAL	MEDICAL DIRECTOR

STAFF EXCUSED

RONALD A. KING	GENERAL COUNSEL
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STAFF ABSENT

NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 3086 – THURSDAY – APRIL 7, 2016

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CHAIRPERSON

**JEFFREY PEGG**

VICE CHAIRPERSON

**PORTIA ROBERSON**

FOLLOWING A VERBAL ROLL CALL, VICE CHAIRPERSON **ROBERSON** CALLED THE MEETING TO ORDER AT **9:30 A.M.**

APRIL 7, 2016 AGENDA

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE SZYMANSKI

**RESOLVED**, THAT TODAY'S APRIL 7, 2016 AGENDA BE APPROVED AS PREPARED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, SCALES, SERDA, SZYMANSKI,  
THOMAS, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

DROP APPLICATIONS

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE NEARY

**RESOLVED**, THAT THE DROP APPLICATIONS WHICH ARE OUTLINED BELOW BE APPROVED:

DROP APPLICATIONS

NAME, TITLE, DEPARTMENT:	JULIOUS HARVEY – FIRE ENGINE OPERATOR - FIRE
RETIREMENT TYPE, PLAN:	DROP - NEW
SERVICE CREDIT:	23 03 20
EFFECTIVE DATE:	03 11 16

NAME, TITLE, DEPARTMENT:	WAYMAN SESSION – FIRE ENGINE OPERATOR – FIRE
RETIREMENT TYPE, PLAN:	DROP - NEW
SERVICE CREDIT:	23 03 20
EFFECTIVE DATE:	03 11 16

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 3086 – THURSDAY – APRIL 7, 2016

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DROP APPLICATIONS - CONTINUED

DROP APPLICATIONS - CONTINUED

NAME, TITLE, DEPARTMENT: RONALD WARD – SERGEANT - FIRE  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CREDIT: 23 03 20  
EFFECTIVE DATE: 03 21 16

NAME, TITLE, DEPARTMENT: MARK CARSON – OFFICER - POLICE  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CREDIT: 18 07 00  
EFFECTIVE DATE: 03 29 16

NAME, TITLE, DEPARTMENT: FRED BOWENS – LIEUTENANT - POLICE  
RETIREMENT TYPE, PLAN: DROP - NEW  
SERVICE CREDIT: 23 10 07  
EFFECTIVE DATE: 02 26 16

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, SCALES, SERDA, SZYMANSKI,  
THOMAS, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

RETIREMENT APPLICATION

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE SERDA

**RESOLVED**, THAT THE RETIREMENT APPLICATION WHICH IS DESIGNATED BELOW  
BE APPROVED:

RETIREMENT APPLICATION

NAME, TITLE, DEPARTMENT: THOMAS BUNCH – OFFICER - POLICE  
RETIREMENT TYPE, PLAN: SERVICE - NEW  
SERVICE CREDIT: 18 01 25  
EFFECTIVE DATE: 05 10 16

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, SCALES, SERDA, SZYMANSKI,  
THOMAS, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
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CLARK-JENSEN APPLICATION

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE TUCKER

**RESOLVED**, THAT THE CLARK-JENSEN APPLICATION WHICH IS REFERENCED BELOW BE APPROVED:

CLARK-JENSEN APPLICATION

NAME, TITLE, DEPARTMENT: WILLIAM SMULSKY – OFFICER - POLICE  
RETIREMENT TYPE, PLAN: SERVICE - OLD  
SERVICE CREDIT: 25 00 00  
EFFECTIVE DATE: 01 17 74  
BENEFICIARY DATE OF DEATH: 11 07 15  
DATE OF APPLICATION: 03 01 16

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, SCALES, SERDA, SZYMANSKI,  
THOMAS, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

RECEIPTS

THE RECEIPTS WHICH FOLLOW WERE ACKNOWLEDGED BY THE BOARD:

The Police & Fire Retirement System of the City of Detroit			
Receipts for Acknowledgement			
3/21/16-4/1/16			
REMITTER	WIRE DATE	DESCRIPTION	AMOUNT
Meeting #3086			
April 7, 2016			
<b>RECEIPTS</b>			
US REAL ESTATE INVESTMENT FUND	03/28/16	Distribution	103,085.13
RACINE & ASSOCIATES	03/30/16	Settlement Proceeds - DPF v Paramount	3,000.00
RACINE & ASSOCIATES	03/30/16	Settlement Proceeds - DPF v Paramount	1,970.00
American Realty Advisors	03/30/16	Distribution	975,000.00
ALEX BROWN RLTY - LAFER	03/31/16	Distribution	16,916.09
PRISA II	03/31/16	Distribution	261,467.29
USPF II Institutional Fund LP	03/31/16	Distribution	111,892.00
USPF III Leveraged Feeder LP	03/31/16	Distribution	74,074.07
FIRST INDEPENDENCE BANK	03/21/16	Loan Deductions	53,199.76
FIRST INDEPENDENCE BANK	03/28/16	Loan Deductions	135,235.02
CITY OF DETROIT	03/21/16	Weekly Mandatory Employee Contribution	226,505.11
CITY OF DETROIT	03/21/16	Weekly Annuity Contribution	3,628.98
CITY OF DETROIT	03/28/16	Weekly Mandatory Employee Contribution	79,101.37
CITY OF DETROIT	03/28/16	Weekly Annuity Contribution	841.52
		<b>TOTAL RECEIPTS</b>	<b>\$ 2,045,916.34</b>

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 3086 – THURSDAY – APRIL 7, 2016

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DISBURSEMENTS

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE ADAMS

**RESOLVED**, THAT THE DISBURSEMENTS WHICH ARE REFERENCED BELOW BE APPROVED:

DISBURSEMENTS

The Police & Fire Retirement System of the City of Detroit			
Disbursements for Approval			
3/21/16-4/1/16			
Meeting #3086			
April 7, 2016			
PAYEE NAME		DESCRIPTION	AMOUNT
DISBURSEMENTS			
Retired Payroll		Direct Deposit for Retirees - 4/1/2016	16,876,837.57
Retired Payroll		Checks for Retirees - 4/1/2016	7,036,941.84
Annuity Refunds		Refund List # 3627	378,733.11
Checkwrite		Capital Calls, Legal, Administrative & Misc. Expenses	0.00
Loan Program		Loan Funding: Meeting No. 3085	41,026.00
		TOTAL DISBURSEMENTS	\$ 24,333,538.52

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 3086 – THURSDAY – APRIL 7, 2016

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DISBURSEMENTS - CONTINUED

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT

LIST OF DISBURSEMENTS FOR BOARD APPROVAL

FOR APRIL 7, 2016

<u>PAYEE</u>	<u>DATE</u>	<u>INVOICE NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
<b>MANAGEMENT FEES:</b>				
GFG ASSET MANAGEMENT	4/1/2016	28	Management Fees - 1st Qtr '16	\$11,875.71
SALIENT CAPITAL ADVISORS, LLC	1/4/2016	4Q15	Management Fees - 4th Qtr '15	\$105,369.18
Subtotal				\$117,244.89
<b>LEGAL FEES:</b>				
CLARK HILL, PLC	1/31/2016	636528	Lyondell thru 12/31/15	\$1,491.75
CLARK HILL, PLC	2/23/2016	639828	North Point Advisors, Inc./Adrian Anderson thru 1/31/16	\$9,562.08
CLARK HILL, PLC	1/31/2016	636520	Interim General Counsel Services thru 12/31/15	\$28,210.52
CLARK HILL, PLC	1/31/2016	636522	Keeler Litigation thru 12/31/15	\$20,827.09
CLARK HILL, PLC	1/31/2016	636524	Gregory Davis thru 12/31/15	\$5,979.72
CLARK HILL, PLC	1/31/2016	636527	Invescor Litigation thru 12/31/15	\$47.60
CLARK HILL, PLC	1/31/2016	636529	Chapter 9 Litigation thru 12/31/15	\$6,267.90
CLARK HILL, PLC	1/31/2016	636530	The Life Assurance Fund thru 12/31/16	\$237.15
CLARK HILL, PLC	1/31/2016	636531	Onyx Capital Litigation thru 12/31/15	\$857.65
CLARK HILL, PLC	1/31/2016	636532	ICG Litigation thru 12/31/15	\$3,898.53
CLARK HILL, PLC	2/23/2016	639820	ICG Litigation thru 12/31	\$14,573.04
CLARK HILL, PLC	1/31/2016	636526	DROP Program thru 12/31/15	\$3,210.02
CLARK HILL, PLC	1/31/2016	636533	Alamerica Bank thru 12/31/15	\$1,175.11
CLARK HILL, PLC	2/23/2016	639821	Alamerica Bank thru 1/31/16	\$4,641.24
CLARK HILL, PLC	2/23/2016	639823	Investment Committee thru 1/31/16	\$5,128.77
CLARK HILL, PLC	2/24/2016	639824	General Counsel Services thru 1/31/16	\$33,609.16
CLARK HILL, PLC	2/23/2016	639818	PITG Gaming LLC thru 1/31/16	\$579.28
CLARK HILL, PLC	2/18/2016	639817	Chapter 9 Implementation thru 1/31/16	\$13,452.95
CLARK HILL, PLC	2/23/2016	639816	Lyondell thru 1/31/16	\$573.75
CLARK HILL, PLC	2/23/2016	639814	Invescor Litigation thru 1/31/16	\$159.80
CLARK HILL, PLC	1/31/2016	636534	RSCD Bankruptcy Litigation thru 12/31/15	\$388.88
CLARK HILL, PLC	2/23/2016	639822	RSCD Bankruptcy Litigation thru 1/31/16	\$246.29
COUZENS, LANSKY, FEALK,	12/22/2015		Book Cadillac thru 12/18/15, Invoice # 95448	\$1,120.00
COUZENS, LANSKY, FEALK,	11/30/2015		Book Cadillac thru 11/27/15, Invoice # 94716	\$2,333.44

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 3086 – THURSDAY – APRIL 7, 2016

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DISBURSEMENTS - CONTINUED

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
LIST OF DISBURSEMENTS FOR BOARD APPROVAL  
FOR APRIL 7, 2016

PAYEE	DATE	INVOICE NO	DESCRIPTION	AMOUNT
COUZENS, LANSKY, FEALK,	11/25/2015		Book Cadillac thru 11/20/15, Invoice # 94702	\$4,724.00
COUZENS, LANSKY, FEALK,	12/2/2015		Dott Acquisition LLC thru 11/30/15, Invoice # 94759	\$507.50
COUZENS, LANSKY, FEALK,	11/17/2015		Book Cadillac thru 11/13/15, Invoice # 94551	\$3,980.00
COUZENS, LANSKY, FEALK,	11/9/2015		Book Cadillac thru 11/6/15, Invoice # 94270	\$3,336.00
COUZENS, LANSKY, FEALK,	12/14/2015		Book Cadillac thru 12/1/15, Invoice # 95301	\$1,449.83
COUZENS, LANSKY, FEALK,	11/30/2015		Book Cadillac thru 11/27/15, Invoice # 94717	\$2,361.33
COUZENS, LANSKY, FEALK,	12/6/2015		Book Cadillac thru 12/6/15, Invoice # 95025	\$1,436.94
COUZENS, LANSKY, FEALK,	11/3/2015		Book Cadillac thru 10/31/15, Invoice # 94069	\$5,000.41
KLAUSNER & KAUFMAN	10/31/2015		Legal Services thru 10/31/15, Invoice # 17400	\$7,475.22
KLAUSNER & KAUFMAN	12/31/2015		Legal Services thru 12/31/15, Invoice # 17646	\$2,160.00
Subtotal				\$191,002.95

**ADMINISTRATIVE EXPENSES:**

500 WEBWARD LLC	4/1/2016	13708	Base Rent & Cam Estimate - April 2016	\$20,669.85
BAB ASSOCIATES, LLC	4/4/2016	2016-153	Media Consultant - March 2016	\$3,258.85
COURTLAND PARTNERS, LTD.	3/31/2016	2213	Real Estate Consulting Services: 1st Qtr '16	\$46,120.00
DIRECTV	3/24/2016	28137450267	Service Charges 3/23/16-4/22/16	\$34.00
FEDEX	3/30/2016	5-367-86261	FedEx Mailings	\$54.81
FEDEX	3/23/2016	5-360-50108	FedEx Mailings	\$50.19
KELLEY CAWTHORNE	4/1/2016	7136	Lobbyist Services - March 2016	\$7,500.00
OFFICE DEPOT	3/21/2016	829242425001	Office Supplies	\$184.85
OFFICE DEPOT	3/23/2016	829242426001	Office Supplies	\$17.00
OFFICE EXPENSE FUND	3/15/2016		Replenishment	\$3,463.15
PREFERRED DATA SYSTEMS, LLC	4/1/2016	23466	Computer Support, Server Replacement	\$22,605.00
QUILL CORPORATION	3/23/2016	4382370	Office Supplies	\$17.50
QUILL CORPORATION	3/21/2016	4314305	Office Supplies	\$73.36
RICOH	3/10/2016	5040998295	Contract Services	\$265.03
SHRED-IT USA	3/18/2016	9409879476	Off-Site Regular Service	\$47.73
STAFF WAGES	3/27/2016		Staff Wages for 2/22/16 - 3/27/16	\$48,629.06
UHY ADVISORS MI INC	3/15/2016		Prof Accounting Svcs - 3/1/16-3/15/16, Inv # 1164143	\$31,171.88

THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
LIST OF DISBURSEMENTS FOR BOARD APPROVAL  
FOR APRIL 7, 2016

PAYEE	DATE	INVOICE NO	DESCRIPTION	AMOUNT
VERIZON WIRELESS	3/15/2016	9762192702	Trustee Wireless: 2/16/16-3/15/16	\$790.00
Subtotal				\$184,952.26

**OTHER EXPENSES:**

ANGELA JAMES	4/4/2016	040416	Trustee Parking	\$101.00
GREGORY TROZAK	4/5/2016	1Q15	Retired Trustee Stipend - 1st Qtr '15	\$855.46
JOHN TUCKER	4/5/2016	1Q15	Retired Trustee Stipend - 1st Qtr '15	\$855.46
NEWSWEEK	4/5/2016	040516	Subscription Services	\$84.96
Subtotal				\$1,896.90

Total Disbursements for Board Approval \$495,097.00

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, SCALES, SERDA, SZYMANSKI,  
THOMAS, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

REFUNDS OF ACCUMULATED CONTRIBUTIONS

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE NAGLICK

**RESOLVED**, THAT THE CONTRIBUTIONS TO THE ANNUITY SAVINGS FUND BY MEMBERS OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT, INCLUDING INTEREST, BE REFUNDED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST NUMBER 3627 - \$378,733.11

LIST NUMBER 3628 - \$239,243.72

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, SCALES, SERDA, SZYMANSKI, THOMAS, TUCKER AND VICE CHAIRPERSON ROBERSON – 9

NAYS – NONE

CHAIRPERSON **PEGG** ENTERED THE MEETING AT 9:45 A.M.

1974 DEFINED CONTRIBUTION PLAN (EMPLOYEE LOAN PROGRAM)

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE NAGLICK

**RESOLVED**, THAT THE **1974** DEFINED CONTRIBUTION PLAN LOAN REQUEST LISTS SUBMITTED THIS DATE BE APPROVED AND THE REQUESTED AMOUNTS BE DISBURSED PENDING AUDIT BY RETIREMENT SYSTEM ACCOUNTING STAFF:

LIST #1 – \$41,026.00

LIST #2 – \$57,300.00

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, PEGG, SCALES, SERDA, SZYMANSKI, THOMAS, TUCKER AND VICE CHAIRPERSON ROBERSON – 10

NAYS – NONE

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 3086 – THURSDAY – APRIL 7, 2016

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MINUTES OF MARCH 10, 2016

BY TRUSTEE NAGLICK – SUPPORTED BY TRUSTEE SZYMANSKI

**RESOLVED**, THAT THE MINUTES OF THE MEETING HELD THURSDAY, MARCH 10, 2016 BE APPROVED AS RECORDED AND SUBMITTED BY THE BOARD'S RECORDING SECRETARY:

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, PEGG, SCALES, SERDA, SZYMANSKI, THOMAS, TUCKER AND VICE CHAIRPERSON ROBERSON – 10

NAYS – NONE

VICE CHAIRPERSON **ROBERSON** RELINQUISHED THE CHAIR TO CHAIRPERSON **PEGG**.

ASSISTANT EXECUTIVE DIRECTOR'S REPORTS

ASSISTANT EXECUTIVE DIRECTOR **DAVID CETLINSKI** ASKED THE BOARD TO APPROVE THE FOLLOWING:

2016 FIRE DEPARTMENT ELECTION EXPENSE UNDERWRITING

2014 NEW YORK STATE AMENDED TAX RETURN EXECUTION

PFRS AUTHORIZED SIGNATORY LIST EXECUTION

MAY, 2016 FIRE DEPARTMENT ACTIVE TRUSTEE ELECTION

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE THOMAS

**WHEREAS**, IN ACCORDANCE WITH CHAPTER VII, ARTICLE III OF THE CITY CHARTER, IT IS REQUIRED THAT THE FIRE DEPARTMENT HOLD AN ELECTION WITHIN THE MONTH OF **MAY, 2016** TO FILL THE EXPIRING TERM OF **TRUSTEE JEFFREY PEGG** ON THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT (SAID TERM EXPIRES ON **JUNE 30, 2016**), AND

MAY, 2016 FIRE DEPARTMENT ACTIVE TRUSTEE ELECTION - CONTINUED

**WHEREAS**, THE BOARD OF TRUSTEES IS IN RECEIPT OF AN **APRIL 5, 2016** COMMUNICATION FROM EXECUTIVE FIRE COMMISSIONER **ERIC JONES** WHEREIN EXECUTIVE FIRE COMMISSIONER **JONES** REQUESTS THAT THE BOARD UNDERWRITE THE EXPENSES THE FIRE DEPARTMENT WILL INCUR RELATIVE TO THE FIRE DEPARTMENT CONDUCTING SAID **MAY, 2016 ELECTION**, THEREFORE BE IT

**RESOLVED**, THAT THE BOARD HEREBY APPROVES THE REQUEST OF EXECUTIVE FIRE COMMISSIONER **JONES**, AND BE IT FURTHER

**RESOLVED**, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO EXECUTIVE FIRE COMMISSIONER **ERIC JONES**, AND THE ACCOUNTING DIVISION OF THE RETIREMENT SYSTEM:

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, ROBERSON, SCALES, SERDA,  
SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

PFRS FALCONHEAD HOLDING CORP.  
2014 NEW YORK STATE AMENDED TAX RETURN

BY TRUSTEE SZYMANSKI – SUPPORTED BY TRUSTEE NAGLICK

**WHEREAS**, the Board is the sole shareholder of the Corporation, and

**WHEREAS**, the Board has been requested to approve the execution of a 2014 Amended New York Tax Return (dated April 7, 2016) by an officer of the Corporation, and

**WHEREAS**, the execution of said document has been recommended by the Board's Special Legal Counsel, F. Logan Davidson, P.C., and

**WHEREAS**, the execution of said document has been reviewed and approved as to form by the Board's General Counsel, and the execution of said document is consistent with prior action of the Board, therefore be it

**RESOLVED**, that said document be executed by the appropriate corporate officers on

PFRS FALCONHEAD HOLDING CORP.  
2014 NEW YORK STATE AMENDED TAX RETURN - CONTINUED

behalf of the Corporation, and be it further

**RESOLVED**, that a copy of this resolution be forwarded to Special Legal Counsel, F. Logan Davidson, P.C.:

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, ROBERSON, SCALES, SERDA,  
SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

AUTHORIZED SIGNATORY LIST

BY TRUSTEE ROBERSON – SUPPORTED BY TRUSTEE ADAMS

**Resolved**, That all contracts, documents, vouchers and legal papers in conjunction with any investment transaction or disposition of any investment made by the Board of Trustees of the Police and Fire Retirement System, pursuant to Title IX, Chapter VII, Article VIII of the City of Detroit Charter and continued in effect by Article II, Section 102 of the January 1, 1997 City of Detroit Charter, be executed by any two (2) of the following designated parties who are hereby authorized to sign on behalf of the Board of Trustees, provided, however, that at least one (1) of the two (2) authorized parties signing on behalf of the Board shall be an elected Trustee:

CYNTHIA A. THOMAS, EXECUTIVE DIRECTOR  
DAVID CETLINSKI, ASSISTANT EXECUTIVE DIRECTOR  
LAMONICA ARRINGTON-CABEAN, ASSISTANT EXECUTIVE DIRECTOR  
JERRY JOHNSTON, MANAGER I  
CHANDA SMITH, MANAGER I

MARK DIAZ, ELECTED TRUSTEE (POLICE)  
MATTHEW GNATEK, ELECTED TRUSTEE (POLICE)  
SEAN P. NEARY, ELECTED TRUSTEE (FIRE)  
JEFFREY M. PEGG, ELECTED TRUSTEE (FIRE)  
JOHN SERDA, ELECTED TRUSTEE (POLICE)  
TRACY THOMAS, ELECTED TRUSTEE (FIRE)  
GREGORY TROZAK, ELECTED RETIRANT TRUSTEE (POLICE)  
JOHN G. TUCKER, ELECTED RETIRANT TRUSTEE (FIRE)

POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT  
MEETING NUMBER 3086 – THURSDAY – APRIL 7, 2016

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AUTHORIZED SIGNATORY LIST – CONTINUED

JUNE ADAMS, EX/OFFICIO TRUSTEE/ALTERNATE-CORPORATION COUNSEL  
MICHAEL DUGGAN, EX/OFFICIO TRUSTEE/HONORABLE MAYOR  
MELVIN BUTCH HOLLOWELL, EX/OFFICIO TRUSTEE/CORPORATION COUNSEL  
ANGELA JAMES, EX/OFFICIO RETIRANT TRUSTEE/MAYORAL DESIGNEE (POLICE)  
BRENDA JONES, EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT  
JOHN NAGLICK, EX/OFFICIO TRUSTEE/FINANCE DIRECTOR  
PORTIA ROBERSON, EX/OFFICIO TRUSTEE/ALTERNATE-HONORABLE MAYOR  
PAMELA SCALES, EX/OFFICIO TRUSTEE/BUDGET DIRECTOR  
DAVID SZYMANSKI, EX/OFFICIO TRUSTEE/TREASURER

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, ROBERSON, SCALES, SERDA,  
SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

ASSISTANT EXECUTIVE DIRECTOR'S REPORTS – CONTINUED

IN CLOSING, **MR. CETLINSKI** INFORMED THE BOARD THAT UHY'S PROPOSAL TO UPDATE THE SYSTEMS' PROCESSES AND SOFTWARE IS PROGRESSING AHEAD OF SCHEDULE.

EXECUTIVE DIRECTOR'S REPORTS

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** HAS NOT YET ATTENDED THE MEETING.

CHIEF INVESTMENT OFFICER'S REPORTS

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** AND INVESTMENT OFFICER **MIKE KRUSHENA** DISCUSSED BANYAN'S PROPOSAL RELATING TO THE ATHENEUM HOTEL'S PREFERRED STOCK BUYOUT PROPOSAL. THE BOARD ALSO DISCUSSED SAID PROPOSAL WITH **LOU VOGT** (OF BANYAN REALTY ADVISORS, LLC) VIA PHONE CONFERENCE.

**ATHENEUM HOTEL CORPORATION  
DETROIT, MICHIGAN  
PREFERRED STOCK OWNED BY THE POLICE AND FIRE RETIREMENT SYSTEM**

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE NAGLICK

**WHEREAS**, in February 1988, the Board agreed to credit enhance a \$13,800,000 loan issued by Sumitomo Bank for the renovation of what would become the Atheneum Hotel, and

**WHEREAS**, on January 30, 1992, the Police and Fire Retirement System of the City of Detroit issued its commitment to Atheneum Hotel Corporation ("AHC") to lend AHC the sum of \$1,400,000 (the "Loan") and invest up to \$4,233,120 in AHC via the purchase of up to 27,000 shares of preferred stock (the "Stock") of AHC, and

**WHEREAS**, from February 3, 1992 to December 17, 1992, the Retirement System had purchased 26,864 shares of the Stock; the Stock is entitled to a cumulative preferred dividend of 12% per year, and

**WHEREAS**, in connection with the closing on the Loan and Stock Purchase on February 3, 1992 pursuant to the Commitment, the common shareholders, Ted Gatzaros, Maria Gatzaros, Dimitrios Papas and Viola Papas (the "Common Shareholders") executed and delivered to the Retirement System a Security and Pledge Agreement (the "Stock Pledge") whereby the Common Shareholders pledged all of their common stock to the Retirement System as security for the performance of AHC's obligations to the Retirement System under the Commitment, including the obligation to pay the cumulative preferred dividend of 12% per year on the Stock until the date that the Loan was repaid, and

**WHEREAS**, on December 17, 1992, the Retirement System issued another Loan and Stock Purchase Commitment to AHC. This second commitment called for an additional loan of \$674,998 and an additional Stock purchase of \$925,002 [i.e.; an additional 5,900 shares of Stock], and

**WHEREAS**, in February 1999, the Board approved the further credit enhancement of two loans issued by Standard Federal in the total amount \$16,400,000 the proceeds from which were used to repay Sumitomo Bank and loans previously provided by the Board, and

**WHEREAS**, in 2006, the Borrower secured a loan from Comerica Bank in the amount of \$16,500,000 which repaid Standard Federal thus cancelling the credit enhancement of the

**ATHENEUM HOTEL CORPORATION  
DETROIT, MICHIGAN  
PREFERRED STOCK OWNED BY THE POLICE AND FIRE RETIREMENT SYSTEM  
- CONTINUED**

Board leaving only the preferred stock investment which earned a cumulative preferred dividend of 12% albeit due to insufficient cash flow from operations and financial covenants had precluded payment of dividends leaving approximately \$14,244,000 due at year end 2015, and

**WHEREAS**, in December 2015 AHC common shareholder Jim Papas (Ted Gatzaros deceased) notified the Board of an interest in acquiring the preferred stock held by the Board and the Board is in receipt of a letter from its advisor Banyan Realty Advisors dated February 25, 2016 discussing the results of an independent appraisal (CBRE Valuation) authorized by the Board in [CLOSED SESSION] and recommends the Board counter AHC's proposal of \$2,000,000 and a 40% share in net proceeds in excess of \$18,000,000 for the redemption of the Board's preferred stock investment as follows:

1. Redemption price of [\$3,500,000] cash at closing
2. AHC to provide for additional participation in net proceeds in the event of a capital event, including sale or refinance for a five-year period post-closing for 40% of net proceeds in excess of \$19,800,000
3. AHC responsible for Board legal cost incurred by legal counsel in documenting the transaction if consummated, and

**WHEREAS**, Papas countered the Board's proposal at \$2,500,000 and subsequently increased the offer to \$3,000,000 which Banyan Realty Advisors recommends the Board accept pursuant to its letter of April 4, 2016 incorporating the additional items previously approved by the Board as set forth in the letter with the amendment that the strike on excess funds is reset to \$19,300,000, therefore be it

**RESOLVED**, that the Board has reviewed Banyan's letter dated April 4, 2016 and the terms set forth therein for the sale of its preferred shares and herein **approves** Banyan's recommendation to sale the preferred shares, and be it further

**RESOLVED**, that a copy of this resolution be forwarded to the Atheneum Hotel Corporation, Attention: Jim Papas, 1216 Beaubien, Detroit, Michigan 48221; the Board's Real Estate

**ATHENEUM HOTEL CORPORATION  
DETROIT, MICHIGAN**  
**PREFERRED STOCK OWNED BY THE POLICE AND FIRE RETIREMENT SYSTEM  
- CONTINUED**

Advisor, Banyan Realty Advisors, LLC, 501 N. Magnolia Avenue, Orlando, Florida 32801; and the Board's General Counsel:

YEAS – TRUSTEES ADAMS, NAGLICK, NEARY, ROBERSON, SCALES, SERDA,  
SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 10

NAYS – NONE

RUSTEE **ANGELA JAMES** ENTERED THE MEETING AT 9:58 A.M., AND MEDICAL DIRECTOR **REGINALD O'NEAL** ENTERED AT 9:59 A.M.

**CLOSED SESSION**

**BY TRUSTEE TUCKER – SUPPORTED BY TRUSTEE ADAMS**

**WHEREAS**, THE BOARD'S MEDICAL DIRECTOR IS NOW BEFORE THE BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM OF THE CITY OF DETROIT TO DISCUSS THE MEDICAL AND PSYCHIATRIC REPORTS OF INDIVIDUALS WHO HAVE APPLIED FOR DISABILITY RETIREMENT AND THE MEDICAL AND PSYCHIATRIC REPORTS OF INDIVIDUALS WHO HAVE RECEIVED RE-EXAMINATIONS, AND

**WHEREAS**, THE MICHIGAN OPEN MEETINGS ACT PROVIDES FOR CLOSED SESSIONS IN CERTAIN CIRCUMSTANCES, INCLUDING THE FOREGOING MATTERS, AND

**WHEREAS**, THE BOARD HAS DISCUSSED THIS MATTER CONSISTENT WITH THE MICHIGAN OPEN MEETINGS ACT, THEREFORE BE IT

**RESOLVED**, THAT THE BOARD ENTER INTO CLOSED SESSION CONSISTENT WITH THE MICHIGAN OPEN MEETINGS ACT:

CLOSED SESSION - CONTINUED

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ADAMS, JAMES, NAGLICK, NEARY, ROBERSON, SCALES,  
SERDA, SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **10:04 A.M.**

TRUSTEE **BRENDA JONES** ENTERED THE MEETING AT 10:08 A.M., AND TRUSTEE  
**SERDA** TEMPORARILY EXCUSED HIMSELF AT 10:13 A.M.

OPEN SESSION

BY TRUSTEE THOMAS – SUPPORTED BY TRUSTEE SZYMANSKI

**RESOLVED**, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ADAMS, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES,  
SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **10:21 A.M.**

ZACHARIAS WEISHUHN – PENSION NUMBER **235805**

BY TRUSTEE ROBERSON – SUPPORTED BY TRUSTEE SZYMANSKI

**RESOLVED**, THAT THE BOARD ACCEPT THE REPORT AND RECOMMENDATION OF  
ITS MEDICAL DIRECTOR REGARDING **ZACHARIAS WEISHUHN**, AND BE IT  
FURTHER

**RESOLVED**, THAT BASED UPON THE BOARD'S MEDICAL DIRECTOR'S  
RECOMMENDATION THAT **MR. WEISHUHN'S** DISABILITY IS NOT CONSIDERED TO

ZACHARIAS WEISHUHN – PENSION NUMBER **235805** - CONTINUED

BE PERMANENTLY DISABLING, THE BOARD HEREBY DENIES **MR. WEISHUHN'S** APPLICATION FOR DUTY DISABILITY RETIREMENT, AND BE IT FURTHER

**RESOLVED**, THAT **MR. WEISHUHN** BE APPRISED OF HIS RIGHT TO APPEAL SAID DUTY DENIAL, AND BE IT FURTHER

**RESOLVED**, THAT A COPY OF THIS RESOLUTION BE FORWARDED TO **MR. WEISHUHN**:

YEAS – TRUSTEES ADAMS, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

RE-EXAMINATIONS

BY TRUSTEE NEARY – SUPPORTED BY TRUSTEE TUCKER

**RESOLVED**, THAT IN ACCORDANCE WITH THE RECOMMENDATION OF THE BOARD'S MEDICAL DIRECTOR, THE FOLLOWING DIRECTIVES BE FOLLOWED:

**RE-EXAMINATIONS**

NAME/PENSION NO. DEPARTMENT DISABILITY TYPE RE-EXAM NUMBER	CONTINUE ON DISABILITY RETIREMENT PAYROLLS <b>WITH RETIRANT RECEIVING NEXT RE-EXAM IN ONE (1) YEAR UNLESS OTHERWISE DIRECTED</b>	CONTINUE ON DISABILITY RETIREMENT PAYROLLS <b>WITH NO FURTHER RE-EXAMS BEING NECESSARY FOR RETIRANT</b>	CONTINUE ON DISABILITY RETIREMENT PAYROLLS <b>WITH RETIRANT RECEIVING NEXT RE-EXAM AT MEDICAL DIRECTOR'S OFFICE UNLESS OTHERWISE DIRECTED</b>
TRAVELLE ECHOLS - 236821	X		
FIRE - DUTY - 3RD			
CLIVE JOHNSON - 237595	X		
FIRE - DUTY - 2ND			
CHARITY VANOVER - 262198	X		
POLICE - DUTY - 3RD			

RE-EXAMINATIONS - CONTINUED

YEAS – TRUSTEES ADAMS, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 11

NAYS – NONE

CHIEF INVESTMENT OFFICER'S REPORTS – CONTINUED

CHIEF INVESTMENT OFFICER **RYAN C. BIGELOW** DISCUSSED THE SYSTEM'S MARCH 31, 2016 BLACK AND BLUE REPORT AND THE SYSTEM'S EMERGING MANAGER PROGRAM.

PUBLIC RELATIONS ADVISOR'S REPORTS

PUBLIC RELATIONS ADVISOR **BRUCE BABIARZ** PROVIDED THE BOARD WITH A POST-CHAPTER 9 BANKRUPTCY UPDATE.

EXECUTIVE DIRECTOR'S REPORTS

EXECUTIVE DIRECTOR **CYNTHIA A. THOMAS** ENTERED THE MEETING AT 10:27 A.M. BUT HAD NOTHING TO REPORT.

TRUSTEES **MARK DIAZ** AND **MATTHEW GNATEK** ENTERED THE MEETING AT 10:35 A.M.

LOBBYIST'S REPORTS

LOBBYIST **OSCAR W. KING, III** PROVIDED THE BOARD WITH A MICHIGAN LEGISLATIVE UPDATE.

GENERAL COUNSEL'S REPORTS

IN GENERAL COUNSEL **RONALD A. KING'S** STEAD, **ED HAMMOND** ADDRESSED THE FOLLOWING MATTER:

CHAPTER 9 COMPLIANCE

CHAIRPERSON **PEGG** THEN ASKED THE BOARD TO ENTER INTO CLOSED SESSION.

CLOSED SESSION

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

**RESOLVED**, THAT THE BOARD ENTER INTO CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PERSONAL MEDICAL INFORMATION PERTAINING TO POLICE OFFICER **CRYSTAL JOHNS**:

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG - 13

NAYS – NONE

THE BOARD ENTERED INTO CLOSED SESSION AT **11:15 A.M.**

TRUSTEE **SERDA** RETURNED TO THE MEETING AT 11:34 A.M.

OPEN SESSION

BY TRUSTEE DIAZ – SUPPORTED BY TRUSTEE GNATEK

**RESOLVED**, THAT THE BOARD RETURN TO OPEN SESSION:

YEAS – TRUSTEES ADAMS, DIAZ, GNATEK, JAMES, JONES, NAGLICK, NEARY, ROBERSON, SCALES, SERDA, SZYMANSKI, THOMAS, TUCKER AND CHAIRPERSON PEGG – 14

NAYS – NONE

THE BOARD RETURNED TO OPEN SESSION AT **11:40 A.M.**

2016 MACKINAC POLICY CONFERENCE  
GRAND HOTEL - MACKINAC ISLAND  
MAY 31, 2016 – JUNE 3, 2016

TRUSTEE **ROBERSON** EXPRESSED AN INTEREST IN ATTENDING, ON THE BOARD'S BEHALF, MACKINAC'S 2016 POLICY CONFERENCE ON MACKINAC ISLAND MAY 31, 2016 THROUGH JUNE 3, 2016. THIS MATTER WILL BE DISCUSSED FURTHER AT THE BOARD'S APRIL 21, 2016 MEETING.

PUBLIC FORUM

AT **11:48 A.M.**, **CHAIRPERSON PEGG** DECLARED THE MEETING IN OPEN FORUM FOR GENERAL DISCUSSION BY THE PUBLIC ATTENDING THE MEETING.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS BEFORE THE BOARD, **CHAIRPERSON PEGG** ADJOURNED THE MEETING AT **11:48 A.M.** UNTIL **THURSDAY, APRIL 21, 2016**, AT **9:00 A.M.**, IN THE CONFERENCE ROOM OF THE RETIREMENT SYSTEMS, ONE DETROIT CENTER, 500 WOODWARD AVENUE, 30<sup>TH</sup> FLOOR (SUITE 3000), DETROIT, MICHIGAN 48226.

RESPECTFULLY SUBMITTED,



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DAVID CETLINSKI  
ASSISTANT EXECUTIVE DIRECTOR